

13 CIV 5437

Defendants.

JURY TRIAL DEMANDED



The City of Brockton Retirement System (“Brockton” or “Plaintiff”), by and through its undersigned counsel, alleges the following individually and on behalf of a class of all persons and entities similarly situated, upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s allegations are based upon the investigation of its counsel, which included a review of: U.S. Securities and Exchange Commission (“SEC”) filings by Barrick Gold Corporation (“Barrick” or the “Company”); other regulatory filings and reports in Chile and the United States; securities analysts’ reports and advisories about the Company; press releases and other public statements issued by the Company; media reports about the Company; and interviews of former employees of Barrick and other persons with knowledge of the matters alleged herein, some of whom have provided information in confidence. Such confidential witnesses (each referred to as a “CW”) will be identified herein by number (*e.g.*, CW1, CW2, *etc.*). Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

INTRODUCTION

1. This is a federal securities fraud class action brought on behalf of all investors who purchased the publicly-traded common stock of Barrick (the “Class”) on the New York Stock Exchange (the “NYSE”) or pursuant to other domestic transactions between May 7, 2009 and May 23, 2013, inclusive (the “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”) against Barrick, the Company’s former Chief Executive Officer (“CEO”) and President Aaron W. Regent (“Regent”), the Company’s current CEO Jamie C. Sokalsky (“Sokalsky”), and the Company’s current Chief Financial Officer (“CFO”) Ammar Al-Joundi (“Al-Joundi”) (collectively “Defendants”).

2. This action alleges that, throughout the Class Period, Defendants deceived investors regarding the costs, development schedule, and environmental compliance of a mining project that was critical to the Company's future. When this deception was revealed, Barrick's shareholders suffered billions of dollars in losses.

3. Barrick is one of the world's largest metals mining corporations. The Company develops and operates gold, silver, and copper mines in the United States, Canada, South America, Australia, and Africa. The Pascua-Lama Project ("Pascua-Lama" or the "Project"), a vast open-pit gold and silver mine designed to stretch across the high desert border between Argentina and Chile, was widely expected to be the Company's crown jewel.

4. The Pascua-Lama Project's significance to analysts and investors lay in the fact that the mine had a long expected life and rich reserves, which the Company asserted could be exploited at low cost.

5. Because of the mine's international location and close proximity to glaciers supplying water to more than 70,000 local farmers, the Company was able to secure permission to develop and operate the mine only after making detailed promises to the governments of Chile and Argentina that it would undertake extraordinarily wide-ranging efforts to limit environmental degradation and harm to surrounding glaciers, other water sources, and waterways.

6. Accordingly, from nearly the inception of the Project, Barrick stressed to investors not only the relatively low cost to develop the mine, but its commitment to compliance with environmental rules and regulations.

7. On May 7, 2009, prior to the markets' open, Barrick issued a press release announcing that the Company's Pascua-Lama Project would proceed to construction. In offering

highlights of the Project, Barrick stated that Pascua-Lama had a “[p]re-production construction estimate of \$2.8–\$3.0 billion,” that “[f]ully compliant environmental management and monitoring plans” had been developed, and that “[c]ommissioning [was] expected in late 2012 and production in early 2013.”

8. Just months later, in September 2009, the Company executed a \$4 billion offering of its common stock, cashing in on the high expectations for the Project and investor confidence in the Company’s commitment and ability to comply with the environmental regulations of Chile and Argentina. During the balance of the Class Period, the Company raised more than \$7 billion from additional offerings of debt. In 2009 the Company further leveraged confidence in the future production of the Project in exchange for to the right to cash payments totaling \$625 million from Silver Wheaton Corp. (“Silver Wheaton”), a precious metal “streaming” company that offers mining firms the ability to monetize future production.

9. Until the end of the Class Period, Defendants continued to make representations regarding the Project’s low cost and compliance with all applicable environmental regulations.

10. Investors became aware of the serious problems with the Project on April 10, 2013, when news outlets reported that the Appeals Court of Copiapó, Chile, had issued an order suspending work on the Pascua-Lama Project in light of serious concerns about environmental damage from the mine, including harm to local glaciers. In reaction to this news, Barrick’s stock price fell \$2.23 per share, or 8.3 percent, to close at \$24.46 per share following that day’s trading session on volume of more than 40 million shares.

11. Then, on May 24, 2013, Chile’s Environmental Superintendent issued a resolution suspending the Pascua-Lama Project. The regulator’s action followed an intensive four-month investigation of the Project by Chilean authorities, which concluded that the Company’s account

of its environmental compliance efforts was not “correct, truthful or provable.” The regulators also imposed a fine equivalent to \$16 million, the maximum possible under Chilean law. In response to this development, trading in Barrick stock on the NYSE was halted for approximately three hours. After the Company’s shares resumed trading, they closed at \$19.16 per share, a decline of \$0.39 per share, or 1.99 percent, from the prior day’s close.

12. The statements of former employees of the Company not only corroborate the Chilean authorities’ conclusions regarding environmental compliance, but reveal that Barrick systematically misled investors as to other key elements of the Pascua-Lama Project, including its cost. For example, CW1, a former manager at the Pascua-Lama Project, stated that as early as 2010 the Project was not in compliance with critical environmental requirements relating to glaciers. The same former employee related that, at the same time that the Company was informing investors that the Project’s cost would be between \$2.8 and \$3 billion, Barrick already had in its possession an engineering report estimating costs for the Project at nearly twice that figure.

13. Indeed, the true facts, which were known by Defendants but concealed from Barrick’s shareholders and the investing public during the Class Period, were that:

- (a) the Company knew that the costs of bringing the Pascua-Lama Project into production far exceeded any of Barrick’s various publicly presented estimates;
- (b) the Pascua-Lama Project could not come into production within any of Barrick’s various publicly presented time horizons;
- (c) the Pascua-Lama Project was not in compliance with key elements of its environmental protection program, imperiling the survival of the entire Project; and

(d) as a result, Defendants had no reasonable basis for their statements regarding the cost, timing, and production estimates for the Pascua-Lama Project, the Company's compliance with environmental rules and regulations, and the reserves and earnings guidance for the Company that Defendants provided to investors.

14. Defendants' false statements caused Barrick's shares to trade at artificially inflated levels during the Class Period. When the true state of Barrick's Pascua-Lama Project was revealed, the price of Barrick stock fell, declining by more than 64.7 percent from its Class-Period high. These decreases were the result of the artificial inflation caused by Defendants' misleading statements coming out of the price of Barrick's stock.

JURISDICTION AND VENUE

15. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the SEC, 17 C.F.R. § 240.10b-5.

16. This Court has jurisdiction over the subject matter of this action pursuant to Section 27 of the Exchange Act, 28 U.S.C. § 1331 [15 U.S.C. § 78a(a)].

17. Venue is proper in this District pursuant to Section 27 of the Exchange Act and 28 U.S.C. § 1391(b). Barrick's common stock is publicly traded in this District. Additionally, a number of the acts that constitute the violations of law complained of herein, including dissemination to the public of materially false and misleading information to the investing public, occurred in and/or were issued from this District.

18. In connection with the acts alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications, and the facilities of the national securities markets.

PARTIES

19. Plaintiff Brockton is a defined benefit retirement plan for employees of the City of Brockton, Massachusetts. As set forth in the attached certification, Brockton purchased Barrick common stock on the NYSE at artificially inflated prices during the Class Period and has been damaged thereby.

20. Defendant Barrick is a metals mining corporation organized in Ontario, Canada. Barrick maintains its principal executive offices at 161 Bay Street, Toronto, Ontario, Canada. Barrick's common stock trades under the ticker symbol "ABX" on the NYSE, which is an efficient market.

21. Defendant Regent served as the Company's President and CEO, and as a member of the Company's Board of Directors, and sat on the Board's Environmental, Health & Safety Committee, at all relevant times prior to June 6, 2012. Prior to June 6, 2012, Regent spoke frequently to investors and signed and certified the accuracy of Barrick's periodic filings with the SEC.

22. Defendant Sokalsky served as Barrick's CEO and as a member of the Company's Board of Directors since June 5, 2012. At all relevant times prior to June 5, 2012, CEO Sokalsky served as Executive Vice President and CFO of the Company. Throughout the Class Period, Sokalsky spoke frequently to investors and signed and certified the accuracy of Barrick's periodic filings with the SEC.

23. Defendant Al-Joundi has served as the Company's Executive Vice President and CFO since July 10, 2012. Since July 10, 2012, Al-Joundi has spoken frequently to investors and signed and certified the accuracy of Barrick's periodic filings with the SEC.

24. Defendants Regent, Sokalsky, and Al-Joundi are collectively referred to herein as the “Individual Defendants.”

BACKGROUND

25. In 1994, Barrick acquired ownership of Lac Minerals Ltd., a Quebecois mining company that was then under threat of a hostile takeover. As part of this acquisition, Barrick gained ownership of the Pascua-Lama Project, which by that time had already been the subject of approximately one year of environmental studies.

26. Pascua-Lama lies between Chile and Argentina in a region of the Andes Mountains known as the Atacama Desert. The mine site lies in close proximity to glaciers that serve as important water sources to local populations.

27. Over the following years, Barrick conducted further studies on the Pascua-Lama Project site, including feasibility and economic studies, and separate environmental assessments for Chilean and Argentine regulators. In 2000, Barrick submitted its initial environmental impact study to Chilean regulators, which they approved in 2001. Barrick submitted a similar study in Argentina in 2001.

28. The Company’s Technical Report on the Pascua-Lama Project of March 31, 2011, filed with the SEC as part of an April 5, 2011 Form 6-K, describes the early regulatory history of the Project, and the critical role that the Company’s promises of environmental compliance played in Barrick obtaining approval of the mine:

[The] review process became contentious, with most of the controversy focused on potential impacts to the quality and quantity of water available to agricultural users in the Huasco valley, including potential impacts to glaciers and other ice masses in the vicinity of the project site.

* * *

[A]fter a long and extended debate on the matter which involved the participation of numerous authorities, academic institutions and non-governmental organizations, the authority decided to reject the removal and transfer of the ice, and established in the [Environmental Qualification Resolution ("RCA")] that the open pit must be developed without affecting the ice masses. Barrick revised the Project's mine plan in accordance with this condition of approval.

The environmental review process ended with resolution N°24/06 (the RCA) which approves the current configuration of the Pascua-Lama project in Chile. The conditions of the RCA are compliance requirements and form a partial basis for development of the project's environmental management plan.

* * *

Barrick has identified a total of 450 conditions of environmental approval contained within the RCAs (Chile) and DIAs (Argentina) Compliance with these approval conditions is a legal requirement and is managed through the project's compliance management system.

* * *

Barrick has implemented plans to comply with the conditions of the environmental approvals and has obtained the key permits and authorizations for project construction.

29. The Company maintains a website dedicated to presenting the public with its responses to certain questions relating to the Pascua-Lama Project. Among those questions and answers, Barrick offers the following:

Will icefields/glaciers in the vicinity of Pascua-Lama be affected by mining operations?

No. Following the thorough review process, the Chilean approval of Pascua-Lama stated that "the company shall only access the ore in a manner that does not remove, relocate, destroy or physically intervene the Toro 1, Toro 2, and Esperanza glaciers." The condition relating to the protection of icefields/glaciers was among more than 400 conditions that were included in the approval of the project (Resolution RCA 024/February 2006).

See Pascua-Lama FAQs, available at <http://www.barrick.com/operations/projects/pascua-lama/faq/default.aspx>.

30. In February 2006, Barrick received approval of its Pascua-Lama Project environmental impact study from Chilean authorities, and the study was approved by Argentine authorities in December 2006. To obtain these approvals, the Company committed to address environmental concerns related to the Project, such as ensuring that the paths of mining trucks into the mine would remain wetted by permanent irrigation to limit the spread of particulates and dust that might harm the nearby glaciers. The approved and agreed-upon design for the Pascua-Lama Project included the construction of canals that would control certain water flows related to the Project and allow run-off from the mining operations to be treated. The canal design included devices to monitor the acidity of the water (“pH monitors”).

31. Consequently, Barrick’s compliance with environmental requirements in general, and protection of glaciers from dust and waterways from contamination specifically, was critical to the successful development and operation of the Pascua-Lama Project.

32. Because of the importance of the Project to the future of the Company, Barrick’s stock price was also closely tied to these environmental compliance issues. Indeed, by April 2009, investors viewed the Pascua-Lama Project as a major cornerstone of Barrick’s future growth and profitability, with an analyst from Scotia Capital noting that the Project then represented 13 percent of Barrick’s ore reserves and 11 percent of the Company’s measured and indicated resources, and that the Pascua-Lama Project could eventually be the source of nine percent of Barrick’s annual gold production.

**DEFENDANTS' MATERIALLY FALSE AND
MISLEADING STATEMENTS DURING THE CLASS PERIOD**

33. On May 7, 2009, prior to the markets' open, Barrick issued a press release announcing that the Company's Pascua-Lama Project would proceed to construction. In the release Barrick highlighted that the Pascua-Lama Project had a "[p]re-production construction estimate of \$2.8-\$3.0 billion," and that "[c]ommissioning [was] expected in late 2012 and production in early 2013." In connection with the press release, then-CEO Regent stated:

We are building Pascua-Lama—one of the world's best undeveloped gold mining projects. . . . Our focus over the last few months has been on resolving outstanding cross border permitting and tax matters, improving the capital and operating costs and project economics and advancing discussions with global financial institutions to provide project financing. We have made considerable progress on all these fronts which has culminated in our go-ahead decision today. The combination of the project's attractive economics, significant production at low cash costs, and support by the governments of Chile and Argentina for this environmentally responsible project will generate enduring and substantial benefits for all concerned—including employment opportunities, economic and social development for the people of Atacama, Chile, and San Juan province in Argentina.

In response to these assertions by the Company, Barrick's stock price opened for trading \$0.80 per share, or 2.43 percent, higher than its prior closing price, and over the course of that and the following trading session on May 8, 2009, rose \$1.23 per share, or 3.6 percent, to close at \$34.04 per share.

34. On July 31, 2009, Barrick filed a Form 6-K with the SEC setting forth its operating results for the three-month period ending June 30, 2009. The Company reported net income of \$492 million, or \$0.56 per share, and adjusted net income of \$431 million, or \$0.49 per share. Additionally, the Company stated:

The go-ahead decision on construction of the Pascua-Lama gold-silver project during the quarter is a significant milestone for Barrick. Pascua-Lama is expected to produce about 750,000–

800,000 ounces of gold per year at anticipated total cash costs of \$20–\$50 per ounce in the first full five years of a +25 year mine life, making it one of the lowest cost gold mines in the world.

The Buzwagi project in Tanzania poured its first gold in early May on schedule and in line with its construction budget, and is the first of a new generation of low cost mines that also includes Cortez Hills, Pueblo Viejo, and Pascua-Lama. At full capacity, these projects are expected to collectively contribute 2.6 million ounces of average annual production at lower cash costs than the current Company profile.

* * *

“Our portfolio of operations performed strongly in Q2, exceeding plan, and positioning us well to meet our production and cost targets for the year,” said Aaron Regent, Barrick’s President and CEO. “The go-ahead decision on Pascua-Lama during the quarter marks an important milestone for Barrick and our strategy of developing long life, low cost mines. Pascua-Lama is expected to be one of the industry’s lowest cost gold operations and joins the world-class Cortez Hills and Pueblo Viejo projects in construction. Execution on this new generation of projects, combined with a favorable gold price outlook and our focus on cost management provides the foundation from which Barrick will continue to deliver shareholder value.”

* * *

Barrick announced a construction decision on the Pascua-Lama project in early May. As of quarter-end, the mills, mining fleet, and other processing and earth-moving equipment have been ordered. The project team expects to mobilize to the site during the third quarter to install construction infrastructure, including additional camp facilities, and to begin upgrading the access road. Pascua-Lama is expected to produce about 750,000–800,000 ounces of gold and 35 million ounces of silver annually in its first full five years at anticipated total cash costs of \$20–\$50 per ounce, making it one of the lowest cost gold mines in the world. Commissioning is expected in late 2012 and initial production in the first quarter of 2013.

(Footnotes omitted.)

35. On September 8, 2009, Barrick issued a press release announcing its entry into a material definitive agreement (the “Silver Sale”) with Silver Wheaton to sell 25 percent of the

life-of-mine silver production from the Pascua-Lama Project and 100 percent of silver production from certain other mines through the end of 2013 for the lesser of \$3.90 or the prevailing market price per ounce. In exchange for entering into the Silver Sale, Barrick secured \$625 million in funding from Silver Wheaton, payable as an immediate cash deposit of \$212.5 million and three further deposits of \$137.5 million on the first three anniversaries of the Silver Sale's closing date.

36. Silver Wheaton also issued a press release that day announcing the Silver Sale. Among the points highlighted by Silver Wheaton was Barrick's professed timeline for production at the Pascua-Lama Project: "Silver Wheaton's 25% share of the estimated average annual silver production for the first five years (2013 to 2017) is 9 million ounces" Consequently, the 2013 time horizon for initial production from the Pascua-Lama Project asserted by Barrick was a material factor in the terms of the Silver Sale and the attendant \$625 million of funding. The Silver Sale closed on September 22, 2009.

37. Also on September 8, 2009, Barrick filed a Form F-10 Registration Statement with the SEC for an offering of common stock issued by the Company. The final amended version of this registration statement was filed on September 15, 2009, and on September 23, 2009, the Company issued 108,962,500 shares of common stock at \$36.95 for gross proceeds of \$4,026,164,375.

38. On October 13, 2009, Barrick's Australian subsidiary, Barrick (PD) Australia Finance Pty Ltd, entered into a debt securities purchase agreement pursuant to which it issued and sold \$400,000,000 in notes due in 2020 and \$850,000,000 in notes due in 2039, which paid 4.95 percent and 5.95 percent interest, respectively, and were fully and unconditionally

guaranteed as to payment of principal, premium, and interest by Barrick (the “2009 Private Notes”). The 2009 Private Notes were not registered with the SEC.

39. On November 9, 2009, Barrick filed a Form F-9 Registration Statement with the SEC for an offer to exchange the 2009 Private Notes for notes with substantially identical terms that were registered with the SEC pursuant to the Securities Act of 1933 (the “2009 Exchange”). The registration statement for the 2009 Exchange informed investors of key considerations for the Silver Sale:

On September 22, 2009, we entered into an agreement with Silver Wheaton Corp. to sell the equivalent of 25% of the life-of-mine silver production from the Pascua-Lama project and 100% of silver production from the Lagunas Norte, Pierina and Veladero mines until project completion at Pascua-Lama. Barrick will receive a cash deposit of \$625 million payable over three years, as well as ongoing payments in cash of the lesser of \$3.90 (subject to an annual inflation adjustment of 1% starting three years after project completion at Pascua-Lama) and the prevailing market price for each ounce of silver delivered under the agreement.

In third quarter 2009, we received a cash deposit of \$212.5 million which is recorded in other non-current liabilities on the Consolidated Balance Sheet. **Provided that construction continues to progress at Pascua-Lama**, we will receive additional cash deposits of \$137.5 million on each of the next three anniversary dates of the agreement. Imputed interest expense will be recognized on these deposits at the rate implicit in the agreement. The deposit plus accumulated accrued interest will be amortized based on the difference between the effective contract price for silver and the amount of the ongoing cash payment per ounce of silver delivered under the agreement.

(emphasis added). The final amended registration statement for the 2009 Exchange was filed on November 18, 2009, and became effective on November 23, 2009.

40. On October 29, 2009, Barrick filed a Form 6-K with the SEC setting forth its operating results for the three-month period ending September 30, 2009. The Company reported

a net loss of \$5.4 billion, or \$6.07 per share, and adjusted net income of \$473 million, or \$0.54 per share. Among other things, the Company stated:

Construction of Barrick's new generation of low cost mines remains on schedule and in line with their budgets. . . . Pascua-Lama has started construction. At full capacity, these projects are expected to contribute about 2.6 million ounces of annual production at lower than current cash costs.

Barrick agreed to sell an amount equivalent to 25% of the life-of-mine silver production from Pascua-Lama and silver production from three existing mines until project completion at Pascua-Lama for \$625 million in cash and ongoing payments as silver is delivered. The transaction surfaces the value of Pascua-Lama, shares overall risk, increases the expected rate of return on Barrick's investment and provides an additional source of financing, while maintaining full upside on 100% of the gold and 75% of the silver production.

* * *

"Our operations delivered another strong quarter, positioning us well to meet our production and cost targets for the year," said Aaron Regent, Barrick's President and Chief Executive Officer. "In addition to our continued focus on achieving our production goals, the Company took a number of important steps during the quarter to enhance our strategic positioning in what we expect to be a strong gold price environment. . . . We further increased our exposure to metal prices by monetizing 25% of the silver at Pascua-Lama, which provided additional financial capacity to purchase 70% of El Morro, adding another high quality gold-copper project to our portfolio. . . ."

* * *

Pascua-Lama has recently entered construction, with the project team mobilizing to site and beginning work on installation of construction infrastructure. Orders have been placed for long lead time items including mills, the Chilean camp, and mining and earthworks equipment. Pascua-Lama is expected to produce about 750,000–800,000 ounces of gold and 35 million ounces of silver annually in its first full five years at anticipated total cash costs of \$20–\$50 per ounce, making it one of the lowest cost gold mines in the world. Commissioning is expected in late 2012 and initial production in the first quarter of 2013.

* * *

The Company has completed a transaction with Silver Wheaton Corp. to sell an amount equivalent to 25% of the life-of-mine silver production from Pascua-Lama and silver production from three existing mines until project completion at Pascua-Lama for a cash deposit of \$625 million payable over three years and ongoing payments for each ounce of silver delivered under the agreement. The transaction shares risk, increases the expected rate of return of Pascua-Lama, and in addition, the upfront payment represents an additional source of financing for a portion of the \$2.8–\$3.0 billion cost of construction at Pascua-Lama[.]

(Footnotes omitted.)

41. Despite Defendants’ repeated claims in 2009 that the projected cost of the Pascua-Lama Project was between \$2.8 and \$3.0 billion, Defendants understood as early 2008 that the Project would actually cost nearly twice that amount. CW1, a former manager at the Pascua-Lama Project in 2010, learned that Barrick first sought an estimate of development costs in 2006 or 2007 from a prominent engineering, procurement, and construction management firm (the “EPCM Report”), which concluded that developing the Pascua-Lama Project would cost more than \$5 billion. CW1 understood that the EPCM Report had been read by certain Project and construction directors at Barrick, and related that the EPCM report was known of and still discussed by the Company’s staff between 2010 and 2011. Defendants did not reveal the EPCM Report or its cost estimate to the public.

42. CW2, a former operations manager at the Pascua-Lama Project for much of the Class Period, corroborated CW1’s assertions regarding the EPCM Report. According to CW2, the EPCM Report and its contents were known to senior Project directors and senior Company managers, including George Potter, the Company’s Senior Vice President for Capital Projects. CW2 further stated that he attended meetings in Chile with other managers and Ron Kettles, the Project Director at the time (“Kettles”). After the meetings CW2 and other managers discussed

the Project's cost projections and concurred that there was no way the Pascua-Lama Project could be completed for \$3 billion.

43. On December 10, 2009, Barrick took part in the Bank of America-Merrill Lynch 2009 Global Industries Conference in New York. As part of the Company's prepared presentation to investors and analysts, Barrick presented a slide that stated that the Pascua-Lama Project was "[o]n track for first production Q1 2013" and that the Project was "[i]n line with \$2.8–\$3.0 B capital budget."

44. On March 23, 2010, Barrick filed a Form 6-K with the SEC presenting its annual report for 2009. As part of its discussion of its operations, the Company stated:

Construction on the Pascua-Lama project also began in 2009. Pascua-Lama is a large, world-class project with gold reserves of about 18 million ounces and 671 million ounces of silver contained within gold reserves. Once operating, it is expected to produce between 750,000–800,000 ounces of gold annually at total cash costs of \$20–\$50 per ounce, assuming a \$12 per ounce silver price. This makes Pascua-Lama one of the lowest cost gold mines in the world.

* * *

The progress we made in 2009 has established a solid foundation from which to move the Company forward. With the completion of the Cortez Hills project, our production is anticipated to increase in 2010 at lower cash costs. Barrick's production base and cash cost profile will be further improved with Pueblo Viejo, expected to begin production late in 2011, and Pascua-Lama, expected in early 2013.

* * *

In its first full five years of operation, average annual gold production at Pascua-Lama is expected to be 750,000–800,000 ounces at total cash costs of \$20–\$50 per ounce assuming a silver price of \$12 per ounce. For every one dollar per ounce increase in the price of silver, total cash costs are expected to decrease by about \$35 per ounce. Pascua-Lama remains on schedule to deliver first gold in the first quarter of 2013 and in line with its \$2.8–\$3.0 billion pre-production capital budget.

(Footnotes omitted.)

45. On March 29, 2010, Barrick filed its Form 40-F with the SEC setting forth its audited financial statements and related full-year information for 2009. The Company reported a net loss of \$4.27 billion, or \$4.73 per share, and adjusted net income of \$1.81 billion, or \$2.00 per share. As part of its discussion of its operations, the Company stated:

Construction on the Pascua-Lama project began in 2009 and detailed engineering for the project is about 90% complete. Major earthworks on the Chilean side are advancing, the portal for the tunnel which provides access for the shipment of ore between Chile and Argentina has been established and the Barrealis camp has been progressing well with about 540 people currently on site. In Argentina, contractors for early earthworks site preparation have mobilized to site. Over 25% of the capital has been committed, securing the mining fleet, processing mills, camp accommodation and earthworks contractors. The project remains in line with its pre-production capital budget of \$2.8–\$3.0 billion and is on schedule to enter production in the first quarter of 2013.

46. Included with the Company's March 29, 2010 Form 40-F as Exhibit 99.6 was a certification, signed by then-CEO Regent, which stated:

I, Aaron W. Regent certify that:

1. I have reviewed this annual report on Form 40-F of Barrick Gold Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and

15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

A substantially similar certification, signed by then-CFO Sokalsky, was included as Exhibit 99.7.

47. On April 1, 2010, Barrick filed a Form 6-K with the SEC setting forth its operating results for the three-month and full-year periods ending December 31, 2009. For the fourth quarter of 2009, the Company reported net income of \$215 million, or \$0.22 per share, and adjusted net income of \$604 million, or \$0.61 per share. As part of its discussion of its operations, the Company stated:

The Pueblo Viejo and Pascua-Lama projects remain on schedule and in line with their capital budgets.

* * *

"In addition to meeting our operating targets, we achieved a number of significant milestones which have enhanced the value proposition of Barrick," said Aaron Regent, Barrick's President and CEO. . . . ["We moved Pascua-Lama into construction and significantly advanced Pueblo Viejo and both are progressing in line with expectations. All of these projects are anticipated to contribute significant low cost production for many years to come. We also grew the industry's largest reserves which are now 100% unhedged with the elimination of our Gold Hedges in the last quarter, ahead of the schedule we set for ourselves. Throughout, we remained committed to strive toward the highest social responsibility standards as evidenced by the Company's renewed listing on the Dow Jones Sustainability Index."

* * *

Over the past five years, we have built seven new projects on time and near budget, namely Tulawaka, Lagunas Norte, Veladero, Cowal, Ruby Hill, Buzwagi and Cortez Hills. We expect that this experience will allow us to develop the two projects currently at an advanced stage (Pueblo Viejo and Pascua-Lama), which we expect to be commissioned over the next three years and which are expected to contribute significant low cost production.

48. On April 29, 2010, Barrick filed a Form 6-K with the SEC setting forth its operating results for the three-month period ending March 31, 2010. The Company reported net income of \$758 million, or \$0.77 per share, and adjusted net income of \$741 million, or \$0.75 per share. As part of its discussion of its operations, the Company stated:

Construction of the Pueblo Viejo and Pascua-Lama projects is on schedule and expected to be in line with their respective pre-production capital budgets.

* * *

At the Pascua-Lama project on the border of Chile and Argentina, detailed engineering is approximately 95% complete and the project is on track to enter production in the first quarter of 2013. . . . The project remains in line with its pre-production capital budget of \$2.8–\$3.0 billion with approximately one-third of the capital committed.

49. On June 4, 2010, Barrick participated in the 2010 Goldman Sachs Basic Materials Conference in New York. As part of the Company's prepared presentation to investors and analysts, Barrick presented a slide titled "Pascua-Lama Project Update" stating in relevant part that the Project: (1) was on track for first production in the first quarter of 2013; (2) was in line with the \$2.8–\$3.0 billion pre-production capital budget; and (3) had detailed engineering approximately 95 percent completed.

50. On July 30, 2010, Barrick filed a Form 6-K with the SEC setting forth its operating results for the three-month period ending June 30, 2010. The Company reported net income of \$783 million, or \$0.79 per share, and adjusted net income of \$759 million, or \$0.77 per share. As part of its discussion of its operations, the Company stated:

The Pueblo Viejo and Pascua-Lama projects remain in line with their respective pre-production capital budgets with first production expected in Q4 2011 and Q1 2013, respectively.

* * *

At the Pascua-Lama project on the border of Chile and Argentina, detailed engineering and procurement is nearing completion and the project is on track to enter production in the first quarter of 2013. . . . The project remains in line with its pre-production capital budget of \$2.8–\$3.0 billion with over one-third of the capital committed.

(Footnotes omitted.)

51. On October 29, 2010, Barrick filed a Form 6-K with the SEC setting forth its operating results for the three-month period ending September 30, 2010. The Company reported net income of \$837 million, or \$0.85 per share, and adjusted net income of \$829 million, or \$0.84 per share. As part of its discussion of its operations, the Company stated:

At the Pascua-Lama project on the border of Chile and Argentina, detailed engineering and procurement is nearly 90% complete and the project is on track to enter production in the first quarter of 2013. The project remains in line with its pre-production capital budget of about \$3.0 billion with over 40% of the capital committed.

* * *

Beyond 2010, we are targeting to increase our annual gold production to 9 million ounces within the next five years. The significant drivers of this production growth include our Pueblo Viejo and Pascua-Lama projects, as well as various expansionary opportunities at our existing operating mines.

* * *

Our activities do not take place on glaciers, and are undertaken pursuant to existing environmental approvals issued on the basis of comprehensive environmental impact studies that fully considered potential impacts on water resources, glaciers and other sensitive environmental areas around Veladero and Pascua-Lama. We have a comprehensive range of measures in place to protect such areas and resources.

52. According to CW1, at this time Barrick's operations at the Pascua-Lama Project were not in compliance with environmental requirements, including the requirement to keep roads wet to prevent dust from mining operations from settling on near-by glaciers.

53. Defendants, while publicly boasting of a “comprehensive range of measures in place to protect such areas and resources” were in fact concealing their environmental violations from investors and regulators.

54. On February 18, 2011, Barrick filed a Form 6-K with the SEC setting forth the Company’s operating results for the three-month and full-year periods ending December 31, 2010. For the fourth quarter of 2010, the Company reported net income of \$896 million, or \$0.90 per share, and adjusted net income of \$947 million, or \$0.95 per share. As part of its discussion of its operations, the Company stated:

[T]he Company continues to advance its project pipeline, including the world-class Pueblo Viejo and Pascua-Lama projects. Preproduction capital budgets are expected to be higher than previous estimates by about 10–15% to \$3.3–\$3.5 billion (100% basis) and 10–20% to \$3.3–\$3.6 billion for Pueblo Viejo and Pascua-Lama, respectively. Despite these increases, Pueblo Viejo and Pascua-Lama continue to have very strong economics. Once at full capacity, these two mines are anticipated to contribute about 1.4 million ounces 3 of annual production at low cash costs.

* * *

Our activities do not take place on glaciers, and are undertaken pursuant to existing environmental approvals issued on the basis of comprehensive environmental impact studies that fully considered potential impacts on water resources, glaciers and other sensitive environmental areas around Veladero and Pascua-Lama. We have a comprehensive range of measures in place to protect such areas and resources.

* * *

At the Pascua-Lama project on the border of Chile and Argentina, pre-production capital is expected to increase by 10–20% to \$3.3–\$3.6 billion. Pressure on capital costs are primarily as a result of a stronger Chilean peso, labor, commodity and other input cost increases in both countries and higher inflation particularly in Argentina. First production is expected in the first half of 2013. Approximately 40% of the capital has been committed, detailed engineering and procurement are more than 90% complete and about 60% of the earthworks necessary for the process plant and

mining support facilities have been moved. Construction of the power transmission line has commenced and the new access road is almost 75% complete. Development of the tunnel, which connects the mine in Chile and the process plant in Argentina, is progressing on both sides. Occupancy of the construction camps in Chile and Argentina continues to ramp up with more than 2,000 housed on site. Average annual gold production from Pascua-Lama is expected to be 750,000–800,000 ounces in the first full five years of operation at total cash costs of \$20–\$50 per ounce based on a silver price of \$16 per ounce. For every \$1 per ounce increase in the silver price, total cash costs are expected to decrease by about \$35 per ounce over this period.

(Footnotes omitted.)

55. This was the first time since Barrick's May 7, 2009 press release that Defendants indicated that the Pascua-Lama Project could exceed the initial cost estimate of \$2.8 to \$3.0 billion. However, even this new estimate was very misleading. CW1 indicated that at that time, estimates of the cost of operations at the Pascua-Lama Project **for the remaining nine months of 2011 alone** exceeded \$1.05 billion—more than 30 percent of the publicly acknowledged cost estimate for the entire Project—and that the Project Director knew of these estimates.

56. Moreover, the February 18, 2011 statement left investors with a very mistaken view of the Project's progress. Although Defendants offered positive milestones for earthworks, road construction, and tunneling, CW1 has stated that as late as March 2011, construction at the Pascua-Lama site had in fact only just begun.

57. The Company's Toronto headquarters had ready access to information regarding these grave problems with cost overruns and delays at the mine. According to CW2, reports detailing problems at the Pascua-Lama Project were prepared each month, and all information regarding the Project was forwarded to the Company's offices in Toronto. Among these reports was a monthly report titled the Operational Readiness Plan ("ORP"). Additionally, CW2 stated

that operations staff at the Pascua-Lama Project communicated with staff in Barrick's Toronto office frequently by telephone, leading CW2 to conclude that Barrick's Toronto personnel were "completely aware of what was happening at Pascua Lama."

58. CW3, a former Barrick employee who took part in the Company's financial reporting process during the latter part of the Class Period, reported that Defendants held monthly financial meetings at the Company's offices in Toronto, Canada, at which detailed information was discussed with respect to each operating mine and project, such as the Pascua-Lama Project. These monthly financial reviews on occasion led to calls to regional reporting units for clarification of unusual or unexpected expense items, sometimes to the level of identifying specific equipment that needed replacement as a source of cost overruns. Similar project-level financial information and reports were circulated to the Company's capital projects team.

59. On March 7, 2011, Barrick filed a Form 6-K with the SEC setting forth an amended 2010 Year End Management's Discussion and Analysis that corrected typographical errors. As part of its discussion of its operations, the Company stated:

Our activities do not take place on glaciers, and are undertaken pursuant to existing environmental approvals issued on the basis of comprehensive environmental impact studies that fully considered potential impacts on water resources, glaciers and other sensitive environmental areas around Veladero and Pascua-Lama. We have a comprehensive range of measures in place to protect such areas and resources.

* * *

In 2009, we began construction of the Pascua-Lama project on the border between Chile and Argentina, which is on track to commence production in the first half of 2013. Pre-production capital is expected to increase by 10–20% to \$3.3–\$3.6 billion as a result of a stronger Chilean peso and labor, commodity and other input cost increases in both countries and higher inflation, particularly in Argentina. When complete, it is expected to be one

of the lowest operating cost gold producing mines in the world. The project is a long life asset with an expected mine life of over 20 years.

* * *

Over the past seven years, we have built seven new projects on time and near budget, namely Tulawaka, Lagunas Norte, Veladero, Cowal, Ruby Hill, Buzwagi and Cortez Hills. We expect that this experience will allow us to successfully commission the two projects currently in construction (Pueblo Viejo and Pascua-Lama), over the next three years. These projects are expected to contribute substantial low cost production and support a growing production profile for the Company over the next five years.

* * *

At the Pascua-Lama project on the border of Chile and Argentina, pre-production capital is expected to increase by 10–20% to \$3.3–\$3.6 billion. Pressure on capital costs are primarily as a result of a stronger Chilean peso, labor, commodity and other input cost increases in both countries and higher inflation particularly in Argentina. First production is expected in the first half of 2013. Approximately 40% of the capital has been committed, detailed engineering and procurement are more than 90% complete and about 60% of the earthworks necessary for the process plant and mining support facilities have been moved. Construction of the power transmission line has commenced and the new access road is almost 75% complete. Development of the tunnel, which connects the mine in Chile and the process plant in Argentina, is progressing on both sides.

60. On March 22, 2011, Barrick filed a Form 6-K with the SEC setting forth its Notice of Annual Meeting of Shareholders to be held April 27, 2011. As part of its discussion of performance indicators, the Company stated:

In 2010, Barrick continued to demonstrate consistent execution of its operational goals, being in line with its operating guidance for the eighth straight year. In 2010, Barrick increased its production and reported lower total cash costs compared to the prior year period. This operational success, combined with higher gold prices, resulted in record financial results and a strong financial position for the Company. In 2010, Barrick significantly advanced its world-class Pueblo Viejo and Pascua-Lama projects and

announced targeted growth in gold production to nine million ounces within five years.

61. Also on March 22, 2011, Barrick filed a Form 6-K with the SEC setting forth its Annual Report for 2010. As part of its discussion of operations, the Company stated:

[O]ur gold reserves now total 140 million ounces. And as the price of gold climbs, those reserves become increasingly valuable. . . . Our Pueblo Viejo and Pascua-Lama projects, both of which we inherited through past acquisitions, will soon be contributing significant quantities of gold to our total production, again at low cash costs.

* * *

Major progress was made in 2010 on advancing construction of the world-class Pascua-Lama gold-silver project on the border of Chile and Argentina, which is expected to enter production in the first half of 2013. As of February 2011, approximately 40% of the pre-production budget of about \$3.3–\$3.6 billion had been committed. Anticipated average annual production of 750,000–800,000 ounces at total cash costs of \$20–\$50 per ounce in the first full five years illustrates the positive impact this mega project will have on the Company's overall portfolio. Each \$1 per ounce increase in the price of silver is expected to reduce total cash costs by about \$35 per ounce over this period.

As of February 2011, detailed engineering had been advanced to more than 90% completion. The four kilometer long ore tunnel connecting the mine in Chile with the processing plant in Argentina has been collared from both sides and is expected to be completed in the second half of 2012. Construction of the power transmission line is underway and the new access road is about 75% complete. With 17.8 million ounces of gold reserves and 671 million ounces of silver contained within the gold reserves, Pascua-Lama is expected to contribute very low cost ounces to Barrick over a mine life in excess of 25 years.

* * *

In 2009, we began construction of the Pascua-Lama project on the border between Chile and Argentina, which is on track to commence production in the first half of 2013. Pre-production capital is expected to increase by 10–20% to \$3.3–\$3.6 billion as a result of a stronger Chilean peso and labor, commodity and other input cost increases in both countries and higher inflation,

particularly in Argentina. When complete, it is expected to be one of the lowest operating cost gold producing mines in the world. The project is a long life asset with an expected mine life of over 20 years.

* * *

Our activities do not take place on glaciers, and are undertaken pursuant to existing environmental approvals issued on the basis of comprehensive environmental impact studies that fully considered potential impacts on water resources, glaciers and other sensitive environmental areas around Veladero and Pascua-Lama. We have a comprehensive range of measures in place to protect such areas and resources.

(Footnotes omitted.)

62. On March 31, 2011, Barrick filed its Form 40-F with the SEC setting forth the Company's audited financial statements and related full-year information for 2010. The Company reported net income of \$3.27 billion, or \$3.32 per share, and adjusted net income of \$3.28 billion, or \$3.32 per share. As part of its discussion of its operations, the Company stated:

The successful development of Barrick's projects is expected to have a significant impact on Barrick's future operations. . . . Barrick expects to have two new mines entering production in the next three years—Pueblo Viejo in 2012 and Pascua-Lama in 2013. For 2011, subject to permitting and other matters, the timing of which are not in Barrick's control, Barrick expects to spend approximately \$2.1 to \$2.3 billion on capital expenditures for its projects on an IFRS basis (2010: \$1.7 billion). Construction activities are expected to accelerate significantly in 2011 at Pascua-Lama

* * *

Production from Phase I of the project is expected to commence in the first half of 2013 with construction of Phase II to commence shortly thereafter. Approximately 40% of the project's capital has been committed, securing the mining fleet, processing mills, camp accommodation and earthworks contractors. Detailed engineering and procurement for the project are about 90% complete. . . .

Pascua-Lama's pre-production capital is expected to be between \$3.3–\$3.6 billion. First production is expected in the first half of 2013.

* * *

The Pascua-Lama project will handle ore or rock which has the potential to be acid generating and will use cyanide in the processing of ore. . . . The process facilities that use cyanide have been designed to prevent process solutions from being released to surface water or groundwater. These facilities will be lined and will include seepage detection and collection systems. The facilities will also include treatment for cyanide removal and destruction. Management procedures for cyanide handling, monitoring and transportation in accordance with the International Cyanide Management Code will be implemented for the project.

Barrick's activities at the Pascua-Lama Project do not take place on glaciers, and are undertaken pursuant to existing environmental approvals issued on the basis of comprehensive environmental impact studies that fully considered potential impacts on water resources, glaciers and other sensitive environmental areas around the project. Barrick has implemented a comprehensive range of measures in place to protect such areas and resources.

63. Included with the Company's March 31, 2011 Form 40-F were certifications substantially similar to those described in paragraph 46.

64. According to CW4, a labor relations employee at the Pascua-Lama Project during the years 2010 and 2011, by the end of 2011 the Company's management was well aware of numerous environmental violations at the Project related to the construction of a canal that was part of the Project's water management system. In connection with Barrick's responsibility to monitor and report on water quality, the canal included pH meters to detect contamination of the water. However, according to CW4, Project managers were attempting to rush Project construction, which led to water in the canal often being contaminated. CW4 further stated that senior Company managers held meetings during which employees were instructed not to bring cameras to work sites, not to speak to media representatives, and not to speak to government

officials—especially environmental regulators—**because the Chilean officials could shut the Pascua-Lama Project down were they to learn of the environmental problems.**

65. CW2 noted that many of the Company's environmental problems arose from unapproved changes to the original, approved plans relating to water channels—changes Barrick had made in an attempt to reduce Project costs. CW2 stated that these changes were in place by the end of the first quarter of 2011, and that they were implemented without any notice to Chilean regulators. CW2 further asserted that by the end of 2011, Project managers including Igor Gonzalez (then Barrick's President of the South America region; currently the Company's Chief Operating Officer) were aware of at least three ORPs that described how these changes presented material problems and risks for the Project and the Company over the life of the Project.

66. On April 5, 2011, Barrick filed a Form 6-K with the SEC setting forth a technical report on the Pascua-Lama Project pursuant to Section 4.2(1)6 of National Instrument 43-101, *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators. As part of this report, the Company stated:

The Pascua-Lama process facilities will have the capacity to treat 45,000 tpd of ore. Initially in Phase 1 the plant will treat 45,000 tpd of non-refractory ore through cyanide leaching. Upon the commencement of Phase 2, one third (15,000 tpd) of the plant will be converted to the treatment of refractory ore and the operation of a 15,000 tpd flotation circuit will begin.

Basic Engineering for the process plant was started in early 2006 and completed in April 2007. Basic engineering for the process plant and infrastructure was performed by Fluor-Techint. In 2007 basic engineering of the water management system and the tailings dam was completed by Golder and Vector, respectively. ARA Worley Parsons have engineered the truck shop; CMN in-house engineering has completed basic engineering for the access roads to the site, as well as camp facilities. Pre-production capital is expected to be \$3.3–\$3.6 billion.

* * *

As noted throughout this Technical Report, subsequent to the date of preparation of certain information contained herein, Barrick announced that it expected pre-production capital for the project to be \$3.3–\$3.6 billion. Barrick also announced that first production is expected in the first half of 2013 and that average annual gold production from Pascua-Lama is expected to be 750–800,000 ounces in the first full five years of operation at total cash costs of \$20–\$50 per ounce (based on gold, silver and oil price assumption of \$1,100 per ounce, \$16 per ounce and \$85 per barrel, respectively, and assuming a Chilean peso f/x rate of 500:1). To the extent there is any inconsistency between the above information and information contained elsewhere in this Technical Report, please refer to the above as the current information.

67. Defendants' false and misleading statements caused Barrick's common stock to trade at prices as high as \$55.74 and close as high as \$55.63 per share on April 21, 2011.

68. On April 28, 2011, Barrick filed a Form 6-K with the SEC setting forth its operating results for the three-month period ending March 31, 2011. The Company reported net earnings of \$1.0 billion, or \$1.00 per share, and adjusted net earnings of \$1.0 billion, or \$1.01 per share. As part of its discussion of its operations, the Company stated:

At the Pascua-Lama project in Chile and Argentina, work progressed on both sides of the border during the quarter. Over 45% of the pre-production capital budget of \$3.3–\$3.6 billion has been committed. First production continues to be expected in the first half of 2013.

* * *

Our activities do not take place on glaciers, and are undertaken pursuant to existing environmental approvals issued on the basis of comprehensive environmental impact studies that fully considered potential impacts on water resources, glaciers and other sensitive environmental areas around Veladero and Pascua-Lama. We have a comprehensive range of measures in place to protect such areas and resources.

* * *

Over the next three years, we expect to spend about \$1.5 billion on minesite expansion projects and a total of about \$3.0 billion to fund the remaining construction activities at Pueblo Viejo and Pascua-Lama, partly financed by proceeds of about \$1.6 billion from various sources of financing. For Pueblo Viejo, we expect to fund about \$100 million of the remaining spend from the future proceeds of the project financing. At Pascua-Lama, we expect to fund remaining construction activities with up to \$1.25 billion from new project financing and \$275 million from future proceeds related to the Silver Wheaton Agreement. Consequently at current levels of operating cash flow generation, we expect to generate substantial free cash flow over the next three years that would be available for reinvestment in opportunities that could drive increases in future earnings and cash flows. The opportunities for reinvestment include, but are not limited to other major capital projects presently in the scoping, pre-feasibility and feasibility stages; as well as acquisitions.

69. On May 25, 2011, Barrick participated in the 2011 Goldman Sachs Basic Materials Conference in New York. As part of the Company's prepared presentation, Barrick presented a slide titled "Pascua-Lama Project Update," which stated in relevant part that the Project was on track for first production in the first half of 2013 and had an expected pre-production capital budget of between \$3.3 and \$3.6 billion.

70. On June 1, 2011, Barrick and its subsidiary, Barrick North America Finance LLC ("BNAF"), entered into an indenture agreement pursuant to which Barrick and BNAF each issued and sold two series of notes with a collective principal amount of \$4 billion under various maturity and interest terms (the "2011 Private Notes"). The 2011 Private Notes were not registered with the SEC.

71. On June 27, 2011, Barrick filed a Form F-9 Registration Statement with the SEC for an offer to exchange the 2011 Private Notes for notes with substantially identical terms that were registered with the SEC pursuant to the Securities Act of 1933 (the "2011 Exchange"). The registration statement for the 2011 Exchange informed investors of the value that the Pascua-Lama Project already represented to the Company as the basis for the Silver Sale:

On September 22, 2009, we entered into an agreement with Silver Wheaton Corp. to sell the equivalent of 25% of the life-of-mine silver production from the Pascua-Lama project and 100% of silver production from the Lagunas Norte, Pierina and Veladero mines until project completion at Pascua-Lama. In return, we were entitled to an upfront cash payment of \$625 million payable over three years from the date of the agreement, as well as ongoing payments in cash of the lesser of \$3.90 (subject to an annual inflation adjustment of 1% starting three years after project completion at Pascua-Lama) and the prevailing market price for each ounce of silver delivered under the agreement.

During 2010 we received cash payments of \$137.5 million (2009: \$213 million). Providing that construction continues to progress at Pascua-Lama, we are entitled to receive additional cash payments totaling \$275 million in aggregate over the next two anniversary dates of the agreement. An imputed interest expense is being recorded on the liability at the rate implicit in the agreement. The liability plus imputed interest will be amortized based on the difference between the effective contract price for silver and the amount of the ongoing cash payment per ounce of silver delivered under the agreement.

The final amended registration statement for the 2011 Exchange was filed on August 3, 2011.

The 2011 Exchange was concluded in or about September 2011.

72. On July 29, 2011, Barrick filed a Form 6-K with the SEC setting forth its operating results for the three-month period ending June 30, 2011. The Company reported net earnings of \$1.2 billion, or \$1.16 per share, and adjusted net earnings of \$1.1 billion, or \$1.12 per share. As part of its discussion of its operations, the Company stated:

Capital costs for Pascua-Lama have been impacted by continued inflationary effects on costs for key consumable inputs and labor, re-estimations of materials such as steel, cement, fuel and equipment and increased expenditures to essentially maintain the schedule to deliver first production in mid-2013. As a result, pre-production capital is now estimated at \$4.7–\$ 5.0 billion.

* * *

“Operationally and financially, Barrick had a solid quarter, meeting our operating and cash cost targets which resulted in significant margin expansion and record financial results,” said

Aaron Regent, Barrick's President and CEO. "We also completed the acquisition and long term financing of Equinox which adds two attractive assets to our portfolio and another source of long term cash flow. Our project pipeline continues to progress with the ongoing construction of Pueblo Viejo and Pascua-Lama and while we are disappointed with the increased capital costs of these projects, their overall economics have improved significantly as a result of much higher gold and silver prices than originally forecasted."

* * *

Since February 2011, Barrick has reorganized its Capital Projects group, increasing the involvement and co-ordination of its Regional Business Units in the construction of major projects to assist in operational readiness and to capture regional synergies. As a result, personnel changes were made at the Pascua-Lama project. In connection with these changes, a detailed review of the underlying assumptions and trending analysis for Pascua-Lama was completed in the second quarter. This review coincided with the review of the capital costs of Cerro Casale, where additional data and information applicable to Pascua-Lama was identified. The Company has concluded that, based on current trends, certain earlier estimates and assumptions are not achievable, including those for productivity rates and inflationary effects on costs, as well as for required quantities of certain construction materials such as steel and cement. In addition, the Company has increased its projected expenditures to essentially maintain the schedule for bringing the project into production in mid-2013. As a result, pre-production capital is now estimated at \$4.7–\$5.0 billion[.]

* * *

Our activities do not take place on glaciers, and are undertaken pursuant to existing environmental approvals issued on the basis of comprehensive environmental impact studies that fully considered potential impacts on water resources, glaciers and other sensitive environmental areas around Veladero and Pascua-Lama. We have a comprehensive range of measures in place to protect such areas and resources.

73. On November 1, 2011, Barrick filed a Form 6-K with the SEC setting forth its operating results for the three-month period ending September 30, 2011. The Company reported

net earnings of \$1.37 billion, or \$1.37 per share, and adjusted net earnings of \$1.39 billion, or \$1.39 per share. As part of its discussion of its operations, the Company stated:

The development of the . . . Pascua-Lama [project] advanced during the third quarter with first production on track to commence in . . . mid-2013

* * *

“Today, the Company reported another strong quarter of operational and financial results,” said Aaron Regent, Barrick’s President and CEO. “We remain on track to achieve our original full year operating targets including one of the lowest cash cost profiles amongst the senior gold producers. We are making good progress constructing our high return Pueblo Viejo and Pascua-Lama mines and are pleased with further positive exploration results at Goldrush and Red Hill, our new gold discoveries in Nevada.”

* * *

Our activities do not take place on glaciers, and are undertaken pursuant to existing environmental approvals issued on the basis of comprehensive environmental impact studies that fully considered potential impacts on water resources, glaciers and other sensitive environmental areas around Veladero and Pascua-Lama. We have a comprehensive range of measures in place to protect such areas and resources.

74. CW5 is a former supply chain manager who was employed by Barrick at the Pascua-Lama Project during 2010 and 2011. According to CW5, in 2010 or 2011 the Company discovered that costs for the Project were being manipulated after conducting its own internal investigation into the costs and progress of the Pascua-Lama Project. Based on the results of that investigation, the Company removed Kettles and his team. The existence of this internal investigation was not disclosed.

75. In a December 4, 2011 response to concerns about the Pascua-Lama Project’s impact on local glaciers raised by an environmental group, Barrick asserted: “During the [environmental impact assessment] revision process, it was determined that the Pascua-Lama

project will not generate damaging dust accumulation in areas where glaciers are present. The project will put in place a set of dust abatement and control measures such as road watering and proper road planning.”

76. On February 17, 2012, Barrick filed a Form 6-K with the SEC setting forth its operating results for the three-month and full-year periods ending December 31, 2011. For the fourth quarter of 2011, the Company reported net earnings of \$959 million, or \$0.96 per share, and adjusted net earnings of \$1.17 billion, or \$1.17 per share. As part of its discussion of its operations, the Company stated:

The world-class Pueblo Viejo and Pascua-Lama projects are on track to enter production in mid-2012 and mid-2013, respectively. These two mines are expected to contribute about 1.5 million ounces of low cost annual production and provide combined annual average EBITDA of about \$2.5 billion 4 to Barrick in their first full five years.

* * *

“2011 was an excellent year for Barrick,” said Aaron Regent, President and CEO. “We met our production and cost targets, enabling us to maximize the benefits of higher gold prices and realize record earnings and cash flow. We advanced our world-class projects, Pueblo Viejo and Pascua-Lama, which are scheduled to begin contributing low cost ounces in 2012 and 2013.”

* * *

At the Pascua-Lama project, approximately 55% of the previously announced pre-production capital of \$4.7–\$5.0 billion has been committed and first production is expected in mid-2013. The project is being impacted by labor and commodity cost pressures as a result of inflation, competition for skilled labor, the impact of increased Argentinean customs restrictions on equipment procurement and lower than expected labor productivity.

(Footnotes omitted.)

77. On March 6 and 7, 2012, more than 100 Barrick employees attended a meeting in La Serena, Chile, to review the ORP for the Pascua-Lama Project (the “La Serena Meeting”), which identified current and potential technical, legal, community, environmental, and other problems that the Project could face in the transition from construction to operation. Among the attendees were a number of Barrick employees from the Company’s Toronto headquarters.

78. Among the topics for discussion at the La Serena Meeting were serious concerns about compliance with the RCA, and the fact that the impact of these compliance failures was a shutdown or delay of the Project by regulatory authorities. None of these risks were disclosed to investors. In fact, the Company continued to deceive investors regarding its progress on the Pascua-Lama Project.

79. On March 27, 2012, Barrick filed a Form 6-K with the SEC setting forth its Annual Report for 2011. As part of its discussion of operations, the Company stated:

We have [] used our technical expertise and the deepest talent pool in the gold industry to grow the value of our projects, improving designs and anticipated recovery rates to improve overall shareholder returns. In 2011, we made significant progress on two long-life, low cost projects. . . .

[W]e continue to make progress on our Pascua-Lama project on the border of Chile and Argentina. Once in production, Pascua-Lama will be one of the lowest cost gold mines in the world. This project is expected to begin producing in 2013, with average annual gold production of 800,000–850,000 ounces at negative total cash costs of \$225–\$275 per ounce, assuming a \$25 silver price, in its first full five years of operation. Based on a \$1,600 gold price and a \$30 silver price, this mine is expected to generate approximately \$1.65 billion in average annual EBITDA for Barrick over this same period.

* * *

Our two large gold projects in construction, Pueblo Viejo and Pascua-Lama, possess key attributes of truly superior gold mines. Both have long lives well in excess of the average gold mine and are expected to contribute about 1.5 million ounces of low cost

annual gold production to Barrick over the first full five years of operation. With these two projects as the main drivers, Barrick is targeting growth in gold production to about 9 million ounces by 2016. Not only are these mines expected to drive production growth, but they also have tremendous cash flow generating potential. At a \$1,600 per ounce gold price and a \$30 per ounce silver price, Pueblo Viejo and Pascua-Lama are anticipated to generate about \$2.5 billion of average annual EBITDA for the Company in their first full five years of operation.

(Footnotes omitted.)

80. On March 28, 2012, Barrick filed its Form 40-F with the SEC setting forth the Company's audited financial statements and related full-year information for 2011. The Company reported net earnings of \$4.48 billion, or \$4.49 per share, and adjusted net earnings of \$4.67 billion, or \$4.67 per share. As part of its discussion of its operations, the Company stated:

The successful development of Barrick's projects is expected to have a significant impact on Barrick's future operations. Barrick expects to have three new mines entering production in the next two years—Pueblo Viejo and Jabal Sayid in 2012 and Pascua-Lama in 2013. For 2012, subject to permitting and other matters, the timing of which are not in Barrick's control, Barrick expects to spend approximately \$2.60 to \$2.75 billion (2011: \$2.25 billion) of its total capital expenditures on capital projects, primarily related to construction activities at Pueblo Viejo and Pascua Lama.

* * *

Approximately 55% of the previously announced pre-production capital of \$4.7–\$5.0 billion has been committed and first production is expected in mid-2013. The foregoing estimates are based on gold, silver and oil price assumptions of \$1,300 per ounce, \$25 per ounce and \$100 per barrel, respectively and assuming a Chilean peso exchange rate of 475:1. Barrick will continue to finance the project through a combination of one or more of existing capital resources, operating cash flows and additional financings. The project is being impacted by labor and commodities cost pressures as a result of inflation, competition for skilled labor, the impact of increased Argentinean customs restrictions on equipment procurement and lower than expected labor productivity.

* * *

Barrick's activities at the Pascua-Lama Project do not take place on glaciers, and are undertaken pursuant to existing environmental approvals issued on the basis of comprehensive environmental impact studies that fully considered potential impacts on water resources, glaciers and other sensitive environmental areas around the project. Barrick has implemented a comprehensive range of measures to protect such areas and resources.

81. Included with the Company's March 28, 2012 Form 40-F were certifications substantially similar to those described in paragraph 46.

82. On March 29, 2012, Barrick entered into a debt securities purchase agreement pursuant to which the Company issued and sold two series of notes with a collective principal amount of \$2 billion under various maturity and interest terms (the "2012 Private Notes"). The 2012 Private Notes were not registered with the SEC.

83. On April 20, 2012, Barrick filed a Form F-10 Registration Statement with the SEC for an offer to exchange the 2012 Private Notes for notes with substantially identical terms that were registered with the SEC pursuant to the Securities Act of 1933 (the "2012 Exchange"). The registration statement for the 2012 Exchange incorporated by reference all information contained in the Company's March 28, 2012 Form 40-F, including that describing the cost estimates, progress, and environmental compliance of the Pascua-Lama Project. The final amended registration statement for the 2012 Exchange was filed on May 9, 2012, and became effective on May 11, 2012.

84. On May 3, 2012, Barrick filed a Form 6-K with the SEC setting forth its operating results for the three-month period ending March 31, 2012. The Company reported net earnings of \$1.03 billion, or \$1.03 per share, and adjusted net earnings of \$1.09 billion, or \$1.09 per share. As part of its discussion of its operations, the Company stated:

Barrick continued to advance construction at Pueblo Viejo and Pascua-Lama, with first production expected in mid-2012 and mid-2013, respectively. . . . The company announced today the

retirement of Executive Vice President and Chief Operating Officer (COO) Peter Kinver. Igor Gonzales, previously President of Barrick's South America region, has been appointed Executive Vice President and COO effective May 2. Mr. Kinver will remain with the company until June 30 to assist in an orderly transition. He will also act as an advisor to Barrick for the duration of construction activities at the Pueblo Viejo and Pascua-Lama projects.

* * *

At the Pascua-Lama project, about 70 percent of the previously announced mine construction capital of \$4.7–\$5.0 billion has been committed. First production is anticipated in mid-2013. The project is being impacted by labor and commodity cost pressures, primarily as a result of: high inflation in Argentina, and to a lesser extent, Chile, competition for skilled labor and lower than expected labor productivity in underground development. Barrick has added experienced supervisors and miners from its North American and South American regions to the project team, increased oversight of external contractors, accelerated procurement of long lead items and necessary equipment. In conjunction with these activities, the company intends to complete a detailed capital cost and schedule review in the second quarter of 2012.

85. On June 6, 2012, Barrick issued a press release titled *CFO Jamie Sokalsky Appointed Barrick CEO; John L. Thornton Assumes Role of Co-Chairman with Barrick Founder Peter Munk*. Within this press release the Company disclosed that “its Board of Directors ha[d] appointed Executive Vice President and Chief Financial Officer Jamie Sokalsky as President and Chief Executive Officer, replacing Aaron Regent,” that “Mr. Sokalsky ha[d] also replaced Mr. Regent on Barrick’s Board of Directors,” and that “[t]hese leadership appointments [we]re effective immediately.”

86. On July 26, 2012—less than eight weeks after filing its Form 6-K with results for the first quarter of 2012—the Company issued a press release setting forth its results of operations for the second quarter of 2012. Included in this press release was a significant, negative revision to the cost projections and production schedule for the Pascua Lama Project:

“initial gold production [was] expected in mid-2014 [*i.e.*, a full year’s delay], with an approximate 50–60 percent increase in capital costs from the top end of the previously announced estimate of \$4.7–\$5.0 billion.”

87. On July 27, 2012, Barrick filed a Form 6-K with the SEC setting forth its operating results for the three-month period ending June 30, 2012. The Company reported net earnings of \$750 million, or \$0.75 per share, and adjusted net earnings of \$784 million, or \$0.78 per share. As part of its discussion of its operations, the Company stated:

Due to lower than expected productivity and persistent inflationary and other cost pressures, as previously disclosed, the company initiated a detailed review of the cost and schedule estimates for Pascua-Lama in the second quarter. Preliminary results currently indicate an approximate 50–60 percent increase in capital costs from the top end of the previously announced estimate of \$4.7–\$5.0 billion, with first production expected in mid-2014. The company will provide a further progress update with third quarter results.

* * *

Based on information gathered to date, it is apparent that the challenges of building a project of this scale and complexity were greater than we anticipated. We also determined that we needed to re-align the project management structure between Barrick and our EPCM partners, Fluor and Techint. We have taken immediate actions to address these issues. We are strengthening the project management structure by seeking to have Fluor take over a greater proportion of the construction management of the project. Barrick is also working with Fluor and Techint to develop an integrated action plan that ensures the scope of remaining work is well planned and executed and has also engaged a leading EPCM organization to provide an independent assessment of the status of the project. We will provide a further progress update with third quarter results.

The key factors contributing to the capital cost increase are:

- lower than expected contractor productivity (~30%)
- engineering and planning gaps (~25%)
- cost escalation (~25%)
- schedule extension (~20%)

The delay to the schedule arises primarily from delays to completing the camps, tunnel and process plant.

88. On November 2, 2012, Barrick filed a Form 6-K with the SEC setting forth its operating results for the three-month period ending September 30, 2012. The Company reported net earnings of \$618 million, or \$0.62 per share, and adjusted net earnings of \$849 million, or \$0.85 per share. As part of its discussion of its operations, the Company stated:

■ Pascua-Lama Project Update

- During the quarter, Barrick made substantial progress at Pascua-Lama. Along with construction advancement at site, the company strengthened the construction management team and hired Fluor to assume overall project management. Fluor is a global leader in construction of large mining projects, and the same firm that successfully managed construction of our recently completed Pueblo Viejo mine.
- In July, the company announced preliminary results of a review indicating an increase in capital costs to \$7.5–\$8.0 billion and a delay in first production to mid-2014. Since then, Barrick has been working with Fluor on a more comprehensive top-to-bottom review. This review will be complete by our 2012 year-end results release; however, work to date suggests capital costs will be closer to \$8.0–\$8.5 billion, with first production in the second half of 2014.

* * *

Our activities do not take place on glaciers, and are undertaken pursuant to existing environmental approvals issued on the basis of comprehensive environmental impact studies that fully considered potential impacts on water resources, glaciers and other sensitive environmental areas around Veladero and Pascua-Lama. We have a comprehensive range of measures in place to protect such areas and resources.

89. By mid-December 2012, Barrick sought to further conceal the true extent to which its operations at Pascua-Lama were taking a toll on the surrounding glaciers contrary to environmental regulations by launching a Spanish-language webpage titled *Cuidado de Glaciares*, or “Protecting Glaciers.” See *Cuidado de Glaciares*, available at

<http://pascua-lama.com/medioambiente/cuidado-de-glaciares>. This web page offered a positive and reassuring description of the Company's operations at Pascua-Lama relating to glaciers and minimized the impact of the Project on the glaciers and their surroundings.

90. On December 29, 2012, environmental advocacy organization Center for Human Rights and Environment ("CEDHA") released a report in response to *Cuidado de Glaciares* titled *14 Lies by Barrick Gold on Glacier Impacts at Pascua Lama*. Included as part of CEDHA's report was an image, described as a "[c]landestine photo show[ing] Barrick's tractors plowing into glacier ice to construct access roads." CEDHA's report went on to describe how the Company's *Cuidado de Glaciares* website understated the number, size and scope of glaciers affected by the Pascua-Lama Project, misstated the contribution of glaciers to the hydrological system, and ignored the effects of Barrick's operations on the glaciers near Pascua-Lama up to that point.

91. On February 15, 2013, Barrick filed a Form 6-K with the SEC setting forth the Company's operating results for the three-month and full-year periods ending December 31, 2012. For the fourth quarter of 2012, the Company reported a net loss of \$3.06 billion, or \$3.06 per share, and adjusted net earnings of \$1.11 billion, or \$1.11 per share. As part of its discussion of its operations, the Company stated:

Pascua-Lama estimates confirmed: \$8.0–\$8.5 billion in capex and first production targeted for the second half of 2014.

* * *

During the fourth quarter, the cost estimate and schedule for the project was finalized. Expected total mine construction capital remains unchanged in the range of \$8.0 to \$8.5 billion, and includes a contingency of 15–20 percent of remaining capital. First gold production continues to be targeted for the second half of 2014. Incentives for both Fluor and Techint are based on the completion of the project in line with this estimate and schedule.

As of December 31, 2012, approximately \$4.2 billion had been spent and construction was approximately 40 percent complete, largely in line with plan.

92. On March 26, 2013, Barrick filed a Form 6-K with the SEC setting forth the Company's Annual Report for 2012. As part of its discussion of operations, the Company stated:

We suffered a significant delay and a major cost overrun at our flagship Pascua-Lama project on the border of Chile and Argentina. Since that fact surfaced—so unexpectedly—the main focus of our company, at every level, has been directed at ensuring that this project will meet its new cost and schedule estimate. At the same time, we made identifying the root causes of this major setback a priority, so that we can apply those lessons in the future.

* * *

The Pascua-Lama project on the border of Chile and Argentina is expected to be one of the world's lowest operating cost gold mines and will generate significant free cash flow for Barrick once it ramps up to full production. First production is targeted for the second half of 2014 and mine construction capital is estimated at \$8.0–\$8.5 billion.

93. Also on March 26, 2013, Barrick filed a Form 6-K with the SEC setting forth the Company's Notice of Annual Meeting of Shareholders to be held April 24, 2013. As part of its discussion of corporate performance results for 2012, the Company stated:

Challenges in 2012 included set backs on schedule and costs at the Pascua-Lama project

* * *

The Company's Pascua-Lama project had a challenging year, with an increase in the projected capital cost from a range of \$4.7 to \$5 billion to a range of \$8 to \$8.5 billion and a delay in expected production of first gold to the second half of 2014.

94. On March 28, 2013, Barrick filed a Form 40-F with the SEC setting forth the Company's audited financial statements and related full-year information for 2012. The

Company reported a net loss of \$665 million, or \$0.66 per share, and adjusted net earnings of \$3.83 billion, or \$3.82 per share. As part of its discussion of its operations, the Company stated:

Barrick expects to have two new mines entering production in 2014—Pascua-Lama and Jabal Sayid.

* * *

In 2012, the Company revised its execution strategy for developing Pascua-Lama by transferring overall project management from Barrick to Fluor, a leading global Engineering, Procurement and Construction Management contractor that successfully managed Barrick's recently completed Pueblo Viejo mine. Barrick intends to employ this type of strategy to manage large projects in the future.

* * *

The updated mine construction cost estimate and schedule for the project was finalized in the fourth quarter of 2012. Expected total mine construction capital is in the range of \$8.0 to \$8.5 billion, with first gold production targeted for the second half of 2014. The project is being impacted by labor and commodities cost pressures as a result of inflation and competition for skilled labor. As of December 31, 2012, approximately \$4.2 billion had been spent and construction was approximately 40 percent complete.

95. Included with the Company's March 28, 2013 Form 40-F were certifications substantially similar to those described in paragraph 46.

THE TRUTH IS REVEALED

96. On April 10, 2013, prior to the markets' open, news outlets reported that the Appeals Court of Copiapó, Chile, had issued an order suspending work on the Pascua-Lama Project. Later that day, Barrick issued a press release stating:

[Barrick] today announced that the [C]ompany is suspending construction work on the Chilean side of the Pascua-Lama project while working to address environmental and other regulatory requirements to the satisfaction of Chilean authorities. In the interim, activities deemed necessary for environmental protection will continue as authorized.

Construction activities in Argentina, where the majority of Pascua-Lama's critical infrastructure is located, including the process plant and tailings storage facility, are not affected.

It is too early to assess the impact, if any, on the overall capital budget and schedule of the project.

97. Defendants' effort to downplay the importance of the Chilean operations to the Pascua-Lama Project by highlighting the ongoing construction in Argentina was misleading, because without the critical Chilean operations to supply the processing plant with ore, continued activity on the Argentine side of the Project would be stymied.

98. In reaction to this news, Barrick's stock price fell \$2.23 per share, or 8.3 percent, to close at \$24.46 per share following that day's trading session on trading volume of more than 40 million shares.

99. On April 24, 2013, Moody's Investor Service downgraded the senior unsecured debt ratings of Barrick and all rated subsidiary issuers guaranteed by Barrick from Baa1 to Baa2 and modified its outlook from "stable" to "negative," citing "challenges facing the [C]ompany following the Chilean government's injunction to halt construction activity, on the Chilean side of the Pascua Lama mine"

100. On April 25, 2013, the Company disclosed that Guillermo Calo, Barrick's president for South America since July 2012, Robert Mayne-Nicholls, general director of operations, and Rodrigo Jimenez, regional vice-president for corporate affairs, had resigned from the Company's South American unit.

101. On April 26, 2013, Standard & Poor's Rating Service downgraded Barrick's long-term corporate credit rating from BBB+ to BBB, citing "several recent company announcements including . . . a Chilean court preliminary injunction that has stopped major construction activities on the Chilean side of its Pascua-Lama project."